

INAUGURAL REMARKS

By State Treasurer Phil Angelides
January 6, 2003

Thank you Congresswoman Sanchez, Justice Chin, and respected clergy for honoring me by your participation in this ceremony.

To all of you gathered here today and to the people of California, I thank you for the opportunity to serve a second term as your State Treasurer.

To my family, and especially Julie, I express my heartfelt gratitude for your enduring love and support and for the strength you give me to serve the public interest. And, while our daughter Megan is some 6,000 miles away in Senegal serving our country as a Peace Corps volunteer, she is in our hearts today as we celebrate democracy and public service here in California.

Four years ago, when I stood before you to first take the oath of office, I promised to make the most of the opportunity of leadership bestowed upon me and to bring pride to this office by the conduct of my service. I pledged to protect taxpayer and pension funds entrusted to me, to invest in California's future, and to seek to broaden economic opportunity across our State.

Our work in this office has been true to those commitments. I have used California's investment power as a force to restore integrity, openness, and fairness to our financial system in the wake of the greatest wave of corporate scandals since the crash of 1929. I have led the effort to make smart investments in the public fabric – from schools to affordable housing to transit to parks – which strengthen our communities, preserve our environment, and sustain our economic progress. And, proudly, I have pursued what I hope will be path-breaking investments which seek the double bottom line of solid returns and greater economic opportunity for the California communities too often left out of the mainstream of hope.

In this second term, my commitment to these causes will endure for our work has just begun and the challenges which gave rise to our initiatives remain squarely before us.

As we assemble here today, California's government is facing the most significant fiscal crisis in a decade - bringing to the fore essential questions about our priorities as a society and about our vision for the future. While the budgetary crisis is real and of consequence, it is symbolic of a deeper and larger crisis confronting California at the beginning of this 21st Century.

To frame the fundamental choices before us, some perspective is warranted. Despite the economic uncertainty and turmoil of the past two years, California today stands as the wealthiest state in the richest nation on earth. We are – both in contemporary and

historical terms – a society of unparalleled dynamism, creativity, and potential. Our economy is the fifth largest in the world, with a gross state product of \$1.4 trillion.

We are not without assets – indeed, our balance sheet is strong. Our public pension funds have hundreds of billions of dollars in assets, foundations are the custodians of tens of billions of dollars of our wealth, and the State itself owns over two and a half million acres of land and buildings. Most significantly, we are blessed with intellectual and entrepreneurial talent unmatched on the globe.

Our deficit – while daunting in the budgetary context – represents less than 2 percent of our annual economic output. We, as Californians, spend more on new automobiles each year than we spend on the education of our elementary, middle school, and high school students and more than 10 times what we expend on behalf of our great university system.

The question before us is not whether we have the wealth, the capacity, or the assets to invest in our future in a way which secures California's economic and social strength in the decades ahead, but rather whether we have the will and the determination to do so.

In his first inaugural address in 1933, as this nation faced unprecedented economic hardship, Franklin Roosevelt put into perspective the enormous challenges of that era in words that still have meaning today. “We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we still have much to be thankful for. Nature still offers her bounty and...plenty is at our doorstep...”

As we struggle with the immediate fiscal difficulties before us, we cannot afford to cast our eyes despondently to the ground. Rather, we must summon the courage to look ahead and find ways – using the plenty at our doorstep – to invest in our future to sustain the prosperity of California for decades to come.

We must do so with a vision that matches the breadth of the challenges before us. We must provide the infrastructure to support a growing economy and a population that will reach 59 million by the year 2040. We must conserve our natural resources and embrace new patterns of growth which promote sustainable development, reinvigorate the neighborhoods within our existing urban framework, and preserve the quality of our environment that is at the heart of our economic strength. We must invest in first class schools to train a globally competitive workforce for the 21st Century, particularly mindful of the challenges and potential of the diversity that is California's future. We must reform our government so that it performs efficiently, regaining the public confidence required to support needed investments. And, we must strive to close the growing disparity of wealth and opportunity that threatens to undermine our economy and tear at our social fabric.

Webster's defines “crisis” as a “decisive moment,” a “turning point.” Let the crisis in which we find ourselves today be that decisive moment in which we begin, by our

leadership and our actions, to write a new narrative of California's destiny worthy of its past. Let this be the moment when we mobilize the wealth of this society – from foundations to the private sector – to join us in a new era of investment. Let this be the moment when we call upon the most successful and fortunate of our citizens to help meet the pressing needs of this State which is our shared home. Let this be the moment when we take the prudent risks required for any enterprise to succeed and flourish. And, let this be the moment when we commit ourselves to deploying our wealth today to create sustained wealth for future generations.

I know that, as Treasurer, I cannot change the world. But I can, by dint of the energy I bring to my work and the financial resources at hand, make a difference for our State at this decisive moment. That is my pledge to you today.

I will strive to demonstrate that public funds can be invested with efficiency and creativity to stir progress in our society. Over the past four years, we have created partnerships, with local communities and the private sector, to invest in inner cities, to expand community health clinics, to clean up contaminated urban properties, and to provide homeownership to teachers committed to serving in our toughest schools. In this time of crisis, we will continue to create new models for innovative public action which leverage precious public dollars for good purpose.

I will redouble my efforts to finance the infrastructure that serves as the public foundation of sustainable development and economic success. We must press forward with school repair and construction, including public charter schools. We must squarely confront the imminent challenges of water supply and consumption. We must build a high-speed rail system that connects our communities. We must, once again, assume a position of global leadership in financing renewable energy and energy conservation – for our economy, our environment, and our national security. We must pursue each of these endeavors as public goals, prepared to work hand-in-hand with the private sector to make them a reality.

Finally, I will never waver in my commitment to providing opportunity and hope to the poorest amongst us, for as John F. Kennedy reminded us, “If a free society cannot help the many who are poor, it cannot save the few who are rich.”

There will be cynical doubters who say that we cannot afford to pursue our dreams. Yet, American and California history is replete with examples of the achievement of lofty goals in the face of adversity.

In the midst of the Civil War, in which 500,000 Americans perished and the wealth of the nation was savaged, Abraham Lincoln had the foresight to charter a transcontinental railroad, which created a national economy; to sign the Homestead Act, which gave millions of Americans the opportunity to own property; and to establish a system of land grant colleges, which educated a modern workforce.

In the dark days of the Great Depression, when the very survival of democracy and free enterprise was at stake, Roosevelt embarked on an ambitious program of public works to boost the nation's spirit and strength.

Here in California, in the 1930s, when unemployment soared to 28 percent, we built a remarkable set of projects that transformed our State - from the magnificent Golden Gate and Bay Bridges to the wondrous Rainbow Bridge in Big Sur to the State's first freeway. We built 300 schools in the wake of the 1933 Long Beach earthquake and, at the end of the decade, staged, with the private sector, the Golden Gate International Exposition on Treasure Island.

Our response to California's current challenges should be no less visionary.

I feel a great sense of privilege to be in elective office at this decisive moment in California's journey and to be given the opportunity to pursue my passion for public service. I have been blessed with a loving family, honored by the support of gracious friends, and accorded much good fortune. I stand ready to serve my State and I ask you to join me in the great work ahead of us.

Steadfast in our belief in politics and democracy as instruments of change, emboldened by the legacy left to us by previous generations of Californians, and inspired by our faith in the future, we can surmount the crisis before us and open a new chapter in the story of California.

Thank you for your faith. I will honor you.